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U.S. Department of Agriculture • Office of Public Affairs

USDA ANNOUNCES PREVAILING WORLD MARKET PRICE FOR UPLAND COTTON

WASHINGTON, Nov. 8—Under Secretary of Agriculture Richard T. Crowder today announced the prevailing world market price, adjusted to U.S. quality and location (adjusted world price), for Strict Low Middling (SLM) 1-1/16 inch (micronaire 3.5-4.9) upland cotton (base quality) and the coarse count adjustment in effect from 12:01 a.m. Friday, Nov. 9, through midnight Thursday, Nov. 15.

Since the adjusted world price (AWP) is above the 1989 and 1990 crop base quality loan rates of 50.00 and 50.27 cents per pound, respectively, the loan repayment rates for the 1989 and 1990 crops of upland cotton during this period are equal to the respective loan rates for the specific quality and location.

The AWP will continue to be used to determine the value of upland cotton that is obtained in exchange for commodity certificates. Because the AWP in effect is above the established loan rate, loan deficiency payments are not available for 1990-crop upland cotton sold during this period.

Based on data for the week ending Nov. 8, the AWP for upland cotton and the coarse count adjustment are determined as follows:

Adjusted World Price

Northern Europe Price	82.37
Adjustments:	
Average U.S. spot market location	13.23
SLM 1-1/16 inch cotton	2.15
Average U.S. location	0.35
Sum of Adjustments	<u>-15.73</u>
ADJUSTED WORLD PRICE	66.64 cents/lb.

Coarse Count Adjustment

Northern Europe Price	82.37
Northern Europe Coarse Count Price	<u>-77.60</u>
	4.77
Adjustment to SLM 1-inch cotton	<u>-4.10</u>
COARSE COUNT ADJUSTMENT	0.67 cents/lb.

The next AWP and coarse count adjustment announcement will be made on Thursday, Nov. 15.

Charles Cunningham (202) 447-7954

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KANSAS AND OKLAHOMA NO LONGER CONSIDERED FREE FROM CATTLE TUBERCULOSIS

WASHINGTON, Nov. 9—The U.S. Department of Agriculture has removed cattle tuberculosis-free status from Kansas and Oklahoma. Both states had been declared “free” in 1984, according to James W. Glosser, administrator of USDA’s Animal and Plant Health Inspection Service.

APHIS rescinded the bovine tuberculosis accredited-free status of both states upon verifying that several infected herds had been found—two in Kansas and seven in Oklahoma. The source of one of the Kansas infections is, as yet, unknown. The other case in Kansas and the Oklahoma cases originated from a single infected Oklahoma herd that was dispersed in 1988.

Officials in both states say that they are arranging to have all infected and exposed herds slaughtered. The two states can regain free status once they remain free of infection for two years after the last infected herd is slaughtered.

Idaho and Ohio currently are in the process of attaining “free” status. The loss of status in Kansas and Oklahoma leaves 41 states plus the Virgin Islands in the “free” category.

An interim rule deleting Kansas and Oklahoma from the list of states considered free of cattle tuberculosis becomes effective Nov. 13 and will be published that day in the Federal Register. Comments on the action will be accepted if they are received on or before Jan. 14. An original and three copies of written comments referring to docket 90-183 should be sent to Chief, Regulatory Analysis and Development, PPD, APHIS, USDA, Room 866 Federal Building, 6505 Belcrest Road, Hyattsville, Md. 20782. Comments may be inspected at USDA, Rm. 1141-S, 14th Street and Independence Avenue, S.W., Washington, D.C., between 8 a.m. and 4:30 p.m., Monday through Friday, except holidays.

Amichai Heppner (301) 436-5222

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USDA NAMES TEXAS A&M CHANCELLOR 1990 HATCH LECTURER

WASHINGTON, Nov. 9—Dr. Perry L. Adkisson, chancellor of the Texas A&M University system, has been named the 1990 William Henry Hatch Lecturer by the U.S. Department of Agriculture's Cooperative State Research Service.

The lectureship honors prominent leaders in food and agricultural sciences for their research and scientific achievement with a medallion and a public forum during the annual meeting of the National Association of State Universities Land-Grant Colleges.

John Patrick Jordan, CSRS administrator, said Adkisson is being honored for his accomplishments in insect pest management and crop protection at the NASULGC meeting Nov. 10-13, Hyatt Regency Crown Center in Kansas City, Mo. Adkisson will lecture at 9:00 a.m. CST, Monday, Nov. 12.

“As an entomologist, he worked on diapause behavior in pink boll worm and cotton boll weevil,” Jordan said. “Dr. Adkisson also made major contributions to the current national focus on integrated pest management providing alternative methods of controlling the boll weevil.”

The lectureship was initiated in 1987 to celebrate the centennial of the signing of the Hatch Act of 1887 which created the system of state agricultural experiment stations. It is awarded approximately every three years in rotation with two other prominent lectureships.

Selected from nominees throughout the land-grant system, Adkisson is a member of the National Science Board, the National Academy of Sciences, and the American Academy of Arts and Sciences. He has served as president of the Entomological Society of America.

Adkisson was deputy chancellor of the TAMU system prior to assuming his current post. During his long career he served as Texas A&M vice president for agriculture and renewable resources, head of the department of entomology, and holds the faculty designation of distinguished professor of entomology.

A member of numerous national and international boards and committees, Adkisson has received the Alexander Von Humbolt Award for Outstanding contribution to American agriculture, the Distinguished Scientist of the Year award from the Texas Academy of Sciences, the American Institute of Biological Sciences' Distinguished Achievement

award, the National 4-H Alumni Award, the Distinguished Alumnus Award from the University of Arkansas, and the Distinguished Alumnus Award from Kansas State University. He served as consultant to numerous national and international governmental agencies.

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VIRUS TRICKS COTTON PESTS

WASHINGTON—U.S. Department of Agriculture researchers have used an old virus to play a new trick on two major cotton pests in the Mississippi Delta.

Entomologists Marion R. Bell, Earl A. Stadelbacher, and Dick D. Hardee sprayed weeds surrounding cotton fields with a *Heliothis* nuclear polyhedrosis virus, a natural enemy of the cotton bollworm and tobacco budworm.

The researchers said earlier studies showed that immature insects feed on weeds before emerging into adult moths and attacking nearby crops.

“The virus is not new, but using it to spray weeds near cotton fields is,” said Bell, who works for USDA’s Agricultural Research Service in Stoneville, Miss.

“If the approach were used over the entire Delta area’s 4.7 million acres, it would cost cotton producers only 14 percent, or \$7 million, of their current \$50 million annual losses to these two pests.”

Bell said up to 38 percent fewer cotton bollworms and tobacco budworms emerged from the treated area than from an area left alone. “Insect control could be achieved with reduced use of chemicals,” he added.

The virus attacks only insects that have an alkaline mid-gut, and will not harm people, plants, animals or beneficial insects.

Results of the test, which began last May on a 100-square-mile area between Leland and Indianola, Miss., are reported in the latest issue of “Agricultural Research,” the agency’s monthly magazine.

Cooperating in the test were the Delta Council, the National Cotton Council, USDA’s Animal and Plant Health Inspection Service, the Mississippi Agricultural and Forestry Experiment Station, the Mississippi Cooperative Extension Service, Mississippi State University, and Sandoz

Crop Protection Corp. of Des Plaines, IL. Sandoz manufactures the virus and sells it under the tradename Elcar.

Linda Cooke (309) 685-4011

Issued: Nov. 13, 1990

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USDA ANNOUNCES PREVAILING WORLD MARKET RICE PRICES

WASHINGTON, Nov. 13—Under Secretary of Agriculture Richard T. Crowder today announced the prevailing world market prices of milled rice, loan rate basis, as follows:

- long grain whole kernels, 8.28 cents per pound;
- medium grain whole kernels, 7.32 cents per pound;
- short grain whole kernels, 7.27 cents per pound;
- broken kernels, 4.14 cents per pound.

Based upon these prevailing world market prices for milled rice, rough rice world prices are estimated to be:

- long grain, \$5.20 per hundredweight;
- medium grain, \$4.72 per hundredweight;
- short grain, \$4.70 per hundredweight.

The prices announced are effective today at 3 p.m. EST. The next scheduled price announcement will be made Nov. 20, at 3 p.m. EST, although prices may be announced sooner if warranted.

Gene Rosera (202) 447-7923

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USDA PROPOSES TO ALLOW IMPORTATION OF SANDPEARS FROM CHILE

WASHINGTON, Nov. 14—The U.S. Department of Agriculture is proposing to allow sandpears from certain areas of Chile to come into the country. The fruit would have to come from areas certified free from Mediterranean fruit flies (Medflies) by USDA's Animal and Plant Health Inspection Service.

APHIS Administrator James W. Glosser said the Ministry of Agriculture of Chile would issue certificates identifying each shipment and stating that the pears originated in Medfly-free areas. Most of Chile is considered free of the Medfly, one of the most damaging exotic pests that threatens the U.S. fruit and vegetable industry. Only the northern Chilean provinces of Arica, Iquique and Parinacota are considered infested.

If the proposal is finalized, U.S. consumers would gain a new, winter source of sandpears (*Pyrus pyrifolia*) because the seasons in Chile are opposite those in the United States.

The proposal will be published in the Nov. 16 Federal Register. Comments will be accepted if they are received on or before Dec. 3. An original and three copies of written comments referring to docket 90-187 should be sent to the Chief, Regulatory Analysis and Development, PPD, APHIS, USDA, Rm. 866 Federal Building, 6505 Belcrest Road, Hyattsville, Md. 20782. Comments may be inspected at USDA, Rm. 1141-S, 14th Street and Independence Avenue, SW., Washington, D.C., between 8 a.m. and 4:30 p.m., Monday through Friday, except holidays.

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BENEFICIAL BUGS UNLEASHED TO PATROL TEXAS CABBAGE FIELDS

WASHINGTON, Nov. 15—Thousands of tiny wasps have jobs on Texas farms this week—protecting cabbage from caterpillar munching—thanks to the wasps’ “great-grandparents” reared by a U.S. Department of Agriculture laboratory.

Last September, USDA scientists in Yakima, Wash., supplied a few hundred wasps to a firm in Texas that mass-produces beneficial bugs. It’s the descendants of these wasps that are being released in Texas—the source of much of the nation’s cabbage.

“Our research has shown that the wasps can provide a new way to reduce insect damage to cabbage, broccoli and related vegetables without using insecticides,” said entomologist K. Duane Biever, based at the Fruit and Vegetable Research Unit in Yakima, operated by USDA’s Agricultural Research Service.

“The wasps lay eggs inside the caterpillars,” he said. “The larvae that hatch from those eggs feed off their caterpillar host, eventually killing it.” The wasps, *Cotesia plutellae*, *C. marginiventris* and *Diadigma insulare*, do not sting people or animals, he noted.

In Mathis, Texas, the wasps sent from Yakima were mass reared by Biofac, a firm that has produced and sold beneficial insects since 1978. Farmers in the Rio Grande Valley bought thousands of the wasps from Biofac and are releasing them in cabbage fields this week—along with a fourth parasitic wasp species and predatory lacewings.

The caterpillars leave cabbage heads “so full of holes they look like lace,” according to Biofac president M.A. Maedgen Jr. Besides cabbage and broccoli, the caterpillars attack other cole crops such as cauliflower and kale. Nationally, the pests cause more than \$35 million in damage to cole crops, Biever said.

Biever is in Texas this week to observe the releases of the insects and later plans to evaluate the farms’ wasp and caterpillar populations in cooperation with Maedgen and the growers.

The main culprits are caterpillars of the diamondback moth *Plutella xylostella*. The quarter-inch-long green crawlers have become resistant to all the major classes of pesticides, said Johnathan Bevil, a crop supervisor at Griffin and Brand, one of the nation’s largest, independent vegetable producers, located in McAllen, Texas.

Bevil said his company would test the wasps and other beneficial bugs on 20 to 40 acres of cabbage, about a sixth of their cabbage plantings.

For three years, Biever and his technician Jon R. Kern tested different combinations and numbers of parasite species on cabbage and broccoli plots infested with caterpillars of the diamondback moth, cabbage loopers and imported cabbage worms. He described the tests in the latest issue of the agency’s *Agricultural Research* magazine.

Biever and Kern found that only 5 percent of the broccoli had insect damage after carefully timed releases of natural enemies. Two parasitic fly species and six wasp species were released at rates of 300 or 600 male-female pairs per acre.

“Nearly all the broccoli was graded as marketable,” said Biever. In a plot that had pests but no beneficial bugs present, 25 percent of the plants suffered insect damage.

According to Biever, if the parasitic wasps prove successful, they may offer several advantages over insecticides. He said the parasites:

- could provide environmentally safe pest control at a comparable cost to insecticides, which run upwards of \$400 per acre to treat cole crops;
- could theoretically become self-propagating, because new generations arise from the eggs laid in the pest larvae;
- can seek and destroy the pest larvae in places hard to reach with insecticide sprayers—for example, the undersides of leaves;
- avoid the problem of insecticide resistance in insect populations; and
- kill only targeted species, while pesticides kill good and bad bugs alike.

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Background

U.S. Department of Agriculture • Office of Public Affairs

THE EXPORT ENHANCEMENT PROGRAM

To counter the European Community's unfair subsidization of agricultural exports in world markets, the United States Department of Agriculture continues aggressive use of its Export Enhancement Program. EEP initiatives have targeted virtually every market where U.S. producers face EC subsidies in sales of wheat, barley, barley malt, semolina, sorghum, rice, vegetable oil, poultry and eggs. EEP export bonuses awarded by the United States to counter these unfair subsidies now total almost \$2.9 billion. And since the program's inception, EEP-assisted sales have annually accounted for up to 65 percent of U.S. wheat exports, 63 percent of flour exports, 98 percent of barley exports, 10 percent of barley malt exports, 12 percent of semolina exports, 10 percent of rice exports, 26 percent of vegetable oil exports, 29 percent of frozen poultry exports, and 5 percent of table egg exports.

WHAT IT IS

The Export Enhancement Program was created in 1985 under provisions of the Food Security Act of that year and the Commodity Credit Corporation Charter Act. The program was implemented to achieve three objectives: to boost U.S. agricultural exports; to challenge unfair trade practices that hurt U.S. exports, particularly those of the European Community; and to encourage serious negotiations on agricultural trade under auspices of the General Agreement on Tariffs and Trade. The EEP makes possible sales of U.S. farm goods that otherwise would not have been made due to subsidized prices offered by some U.S. competitors. Thus, it is U.S. farmers, not importing countries or their consumers, that benefit from the EEP.

HOW IT WORKS

Under the EEP, bonuses are paid to U.S. exporters in the form of commodity certificates which can be exchanged for commodities from USDA's Commodity Credit Corporation. These bonus payments enable

U.S. exporters to sell targeted U.S. commodities at reduced prices competitive with those offered by other exporters, particularly the EC. Buyers in targeted foreign countries solicit bids from suppliers. Buyers accept the bids which are usually contingent on whether USDA approves the sales price and associated subsidy for the U.S. exporter. If USDA approves, the sale is made and the goods exported. The first EEP initiative was announced by USDA on June 4, 1985, for one million tons of wheat to Algeria. As of Oct. 1, 1990, 110 initiatives had been announced targeting 73 countries and 12 commodities.

REAUTHORIZATION

The new farm bill, The Food, Agriculture, Conservation, and Trade Act of 1990, includes reauthorization through 1995 of the EEP program. The new law maintains the original provisions of the EEP to discourage unfair trade practices by making U.S. agricultural commodities competitive against subsidized sales by foreign countries in world markets. It also continues the USDA policy of not issuing new EEP initiatives that would adversely impact the agricultural exports of non-subsidizing competitors. In addition, the law contains new provisions to ensure the integrity of the program, including improved record-keeping and certification requirements for both exporters and USDA.

WHEAT SALES

Wheat is the chief commodity sold under the EEP, accounting for over 80 percent of the value of sales of all EEP commodities. EEP wheat sales totaled 62.15 million metric tons from 1984 through 1989, while bonus values were \$1.79 billion. EEP wheat sales accounted for 50 percent of total U.S. wheat exports from 1985 to 1989. For fiscal 1990, wheat sales totaled 14.5 million metric tons. In the first four months (June through Sept. 30) of the 1990/91 marketing year, USDA has awarded EEP bonuses for more than 3 million tons of wheat, or over 110 million bushels. This is several times the business that was done during the year-earlier period. U.S. wheat and wheat flour trade has improved since the EEP was created in 1985. U.S. wheat exports went from 29 million tons in 1985 to 39 million tons in 1989. Four different studies conducted independently concluded that U.S. wheat exports, prices and gross export revenues rose due to the EEP. Other factors also affected U.S. and competitor world market shares, but the EEP has been shown to have

increased U.S. wheat exports from 10-30 percent for the 1986-1988 marketing years. These same studies all have estimated that wheat exports are higher than they would have been without the EEP.

Table 1: EEP Sales by Volume and Fiscal Year

(All commodities in thousand metric tons except for cattle, which is in head of cattle, and eggs, which is in million pieces.)

	1985	1986	1987	1988	1989	1990	TOTAL
Wheat	500	4,847	14,193	26,581	16,005	14,473	76,599
Flour	240	963	915	455	642	325	3,540
Barley	---	946	3,349	1,665	529	1,665	8,154
Semolina (GE)*	---	---	73	---	---	---	73
Barley malt (GE)	---	6	135	72	6	57	276
Sorghum	---	---	106	213	---	---	319
Rice	---	23	28	120	20	---	191
Poultry feed	---	---	111	78	---	---	189
Vegetable oil	---	---	25	357	105	45	531
Frozen poultry	---	43	95	14	8	12	172
Dairy cattle (head)	---	6,150	52,274	11,349	---	---	69,773
Table eggs (million pieces)	---	---	258	129	53	86	526

* Grain equivalent

ALL COMMODITIES

In addition to wheat and flour sales, barley and barley malt sales also have benefited from the EEP. Barley sales in fiscal 1990 were more than triple those of 1989 and sales of barley malt have reached 57,000 metric tons (grain equivalent)—up considerably from 1989’s total of 6,000 tons. Table 1, above, shows the sales by commodity in 1,000 metric tons under the EEP, and Table 2, below, shows the bonuses paid by fiscal year.

Table 2: EEP Bonuses in Millions of Dollars by Fiscal Year

	1985	1986	1987	1988	1989	1990	CUMUL- ATIVE
Wheat	10.9	126.6	541.6	819.5	288.9	241.9	2,029.4
Flour	11.6	58.5	69.4	32.2	29.7	13.1	214.5
Feed grains	---	28.4	144.1	63.1	3.8	34.1	273.5
Semolina	---	---	12.4	---	---	---	12.4
Barley malt	---	0.4	10.0	5.6	0.3	5.6	21.9
Rice	---	1.5	1.2	13.0	0.2	---	15.9
Poultry feed	---	---	10.0	6.6	---	---	16.6
Vegetable oil	---	---	1.0	50.3	11.4	4.4	67.1
Frozen poultry	---	31.9	60.3	6.8	3.8	10.8	113.6
Dairy cattle	---	8.6	74.2	10.0	---	---	92.8
Table eggs	---	0.02	5.1	4.9	0.6	1.9	12.5
TOTAL	22.5	255.9	929.3	1,012.0	338.7	311.7	2,870.1

HIGH-VALUE

Another segment of the agricultural economy that has benefited from the EEP is high-value products. Frozen poultry sales in 1990 reached 12,000 tons, up from 8,000 last year. Sales of eggs reached 86 million eggs in 1990, up from 53 million in 1989. And sales of high-value products have a ripple effect in the agricultural economy. Grain producers, for example, have benefited from both larger exports of grain under EEP and higher demand for their products associated with expanded exports of poultry due to the EEP.

Table 3 highlights the growing importance of EEP for exports of specific commodities. For example, nearly 52 percent of total wheat flour sales in volume in 1989 were supported by the EEP.

Table 3: EEP Sales as A Percentage of Total Exports (Volume)

COMMODITY	FY 1987	FY 1988	FY 1989
Wheat	51.0	65.0	42.3
Flour	63.6	38.6	51.8
Barley	98.0	75.0	30.6
Sorghum	2.1	3.5	0.0
Rice	1.1	5.5	0.7
Vegetable oil	3.2	26.4	7.3
Frozen poultry	28.8	3.9	1.7
Dairy cattle	42.6	4.7	0.0
Table eggs	68.9	15.8	12.9

OTHER BENEFITS

EEP initiatives have been targeted to those markets in which competitors, especially the EC, subsidize exports.

Most EEP initiatives for wheat, flour, barley, vegetable oils, poultry, and eggs have directly cut into the EC's highly subsidized sales to its traditional markets. The EEP, combined with the dollar's decline and lower loan rates, has increased the financial cost of the EC's Common Agricultural Policy, particularly through increased subsidy payments. One USDA study estimates that 35-40 percent of the increase in the EC's export subsidy costs is due to the EEP.

Benefits of the EEP to farmers also have economy-wide effects. When farmers produce more, they purchase more farm supplies and equipment and require more services of the farm distribution and processing system. It is estimated that every \$1 of farm products exported generates up to \$2 of business activity across the country.

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